

## TIRNO-10-R-RPR

### Questions and Answers -- Third Round

February 12, 2010

60. **Question:** Are we required to meet all FISMA standards by September 1, 2010, or can this be a work in progress at that time?

**IRS Response:** FISMA standards must be met by September 1, 2010 as compliance with FISMA standards are a necessary component to the vendor's authentication solution in order to comply with OMB Memorandum M-04-04, National Institute of Standards and Technology (NIST) Special Publication (SP) 800-63, and NIST SP 800-53; and, the vendor's authentication solution must be approved by the IRS prior to development.

61. **Question:** The RFP states that the IRS is looking for a vendor to develop an online application system to register approximately 900k-1.2 million "tax return preparers." The RFP mentions that attorneys, CPAs and enrolled agents are exempt from registering. In calculating the 900k-1.2 million figure, did the IRS include attorneys, CPAs and enrolled agents? If they were included in that figure, but are exempt from registering, then what is the real number of individuals that will need to register with this online application?

**IRS Response:** All paid tax return preparers will be required to register on the on-line application system. Attorneys, CPAs, and enrolled agents are only exempt from obtaining the continuing education and testing requirements. The 900K-1.2M estimate includes attorneys, CPAs and enrolled agents.

62. **Question:** How many individuals do you anticipate registering in year one of the contract?

**IRS Response:** The approximate numbers we anticipate registering are 900K – 1.2M tax return preparers. We are unsure of the numbers that will register in the first year.

63. **Question:** If a registered tax preparer already has a PTIN, and that PTIN is then transferred to the new online application system, is there a fee associated with that, or does the IRS require that no fee be involved in that process?

**IRS Response:** We expect the registrant to pay the fee to register on the system, even if they receive the same number. They will be considered as formally registering with the IRS.

64. **Question:** What is the definition of a "non-signing" tax preparer? Do you have an estimate on the number of "non-signing" tax preparers in existence?

**IRS Response:** The term "nonsigning tax return preparer" is defined in Treasury Regulation § 301.7701-15(b)(2), The IRS does not have an estimate of non-signing return preparers.

65. **Question:** The RFP requires that the vendor support and assist the IRS with Marketing. Can you further define what you mean by "support" and "assist?" Also, when does the IRS expect the winning vendor to begin supplying this "support" and assistance?

**IRS Response:** Marketing assistance should be available 30-days prior to the registration start-up date of Sept 1, 2010. Specific marketing details are not available at this time, and will be addressed with the vendor post-award.

66. **Question:** When is the anticipated award date?

**IRS Response:** The anticipated award date is no later than May 1, 2010. However, we hope to award the Contract as early as March 1, 2010.

67. **Question:** Under the Continuing Education section, reference is made to certain "instances where CE credit hours can be waived and/or extended by the IRS." Can you please define those "instances?"

**IRS Response:** Refer to Question 56a

68. **Question:** Can our fee be scaled depending on the volume of candidates using the online application system?

**IRS Response:** The IRS must approve the fee structure, but has not identified any specific restrictions on how the structure itself is designed.

69. **Question:** On page 8 of the RFP, under Privacy Act Provisions, part (2), there is a link to the requirements of the Privacy Impact Assessment. This link does not work. Can you provide the requirements?

**IRS Response:** A copy of the referenced document is being posted along with these answers.

70. **Question:** On page 13, under Certification & Accreditation Process - "must ensure annual reviews and continued security certification and accreditation" - What is the expectation for timing of the system(s) Certification & Accreditation, as of September or within the year following?

**IRS Response:** The optimal timing is September 1, 2010. Some form of Certification & Accreditation will be required. This will be finalized with the vendor post-award.

71. **Question:** On page 13, under Security Awareness and Training - "The vendor shall comply with mandatory annual Computer Security Awareness briefings, UNAX briefings, and receive initial orientation before access to IRS Information Systems." - Will our employees be required to attend IRS-specific training or incorporate your requirements into our own internal training? If we incorporate, can you provide a link for the training details/content?

**IRS Response:** Vendor employees will be required to take the IRS-specific training. Details to be worked post-award.

72. **Question:** We would like to request an extension of the proposal response due date.

**IRS Response:** The due date and time has been extended to 3:00 p.m. ET on February 18, 2010.

73. **Question:** The solicitation mentions twice this phrase: "The vendor will develop a process for collecting payments that are reversed after the PTIN has been issued."

- a. What does *reversed* mean in this context?
- b. In what case(s) would the charges be reversed?
- c. Would the vendor fee also be reversed?

**IRS Response:** Refer to Question 56b. Whether/not the vendor fee is reversed would be up to the vendor.

74. **Question:** On page 7, there is a requirement for "Paper PTIN Applications." What volume of paper applications do you anticipate?

- a. What will be the required payment options? Credit Cards? Checks? ACH? Paypal?
- b. Where will paper applications initially be sent? To the vendor? To the IRS?

**IRS Response:** How the vendor chooses to receive payment for these paper applications is up to the vendor, subject to IRS approval. The IRS is unable to estimate the number of paper applications that may be received. Preparers should be instructed to mail application forms to the vendor. Any paper applications inadvertently received by the IRS will be mailed to the vendor for processing.

75. **Question:** Is the "suitable for framing" certificate optional for the user (PTIN applicant)?

**IRS Response:** No, certificates must be mailed in accordance with the SOO.

76. **Question:** Would it be acceptable to charge the PTIN applicant (the user) an additional fee for the “suitable for framing” certificate?

**IRS Response:** The IRS must approve the fee structure, but has not identified any specific restrictions on how the structure itself is designed.

77. **Question:** From the first set of Q&A posted 28-Jan-10, you state that the contractor will be responsible for all postage, printing, stuffing of all mailings, including requests for paper applications.

- a. How do you anticipate a user would make a “request” for a paper application? Online? Phone? By Mail?
- b. I assume that the vendor fee needs to cover all “associated” mailing costs? If so, can we have an estimate of the volume of mailings required?

**IRS Response:** The IRS anticipates preparers requesting paper applications using all of the methods outlined above. The IRS does not have an estimate of the volume of paper applications. The vendor is expected to cover all associated mailing costs.

78. **Question:** I understand that the fees for registration and renewal have not been established. Is there an estimate?

**IRS Response:** No estimates are available at this time.

79. **Question:** In the response to question 3 in the first Q&A document you state: “Java would be the most optimal language; likewise, Oracle SQL would be the Database and query language.” You don't specify that there is a restriction.

- a. Does this mean that there IS a restriction on OS, development language, and DBMS?
- b. Will you consider other languages, databases, and operating systems (Windows, SQL, ASP.NET, for example) with equal weight for the purposes of evaluation?
- c. Does this mean that you will discount proposals that do not specify Oracle or Java?
- d. Is there a reason that you say that "java would be the most optimal language?"

**IRS Response:** a) No, however, meeting/verification of NIST and OMB security requirements must prevail. b) Yes. c) No. d) Yes, java is the most utilized language for IRS internal systems.

80. **Question:** On page 6 under “Account Management” you state that the application needs to alert the IRS in certain cases (e.g. felony conviction).

- a. Will email notification to the IRS be required?
- b. Can notification be presented only **in** the application (via an Inbox, or Pending notifications page) after the IRS user has logged on?

**IRS Response:** The method of notification will likely need to occur in a batch format of some sort. Beyond that, the IRS has not outlined specific requirements associated with the sharing of this information. The details will be addressed post-award.

81. **Question:** On page 7 under “Customer Service” – will the IRS provide documentation suitable for users (PTIN applicants) that will address questions related to all requirements?

**IRS Response:** The IRS will provide the vendor with plain language documentation that outlines IRS requirements for registration, renewal, testing and CE processes. The IRS will also work with the vendor to address subsequent questions that are received. The vendor may choose to use this information, or develop their own so long as it accurately represents IRS requirements. The vendor will have the sole responsibility for developing all guidance and instruction related to the actual use of their system facilitating compliance with IRS requirements.

82. **Question:** Can you quantify the “support and assistance with marketing” specified on page 8 of the RFP? In particular, how much time do you anticipate the vendor will need to dedicate to industry events, joint development, etc.

**IRS Response:** Refer to Question 65. The IRS is unable to quantify necessary marketing elements at this time.

83. **Question:** Banks will charge 2-3% for processing credit cards, plus a per transaction fee. We have no problem including that cost in our portion of the charge. The Yes response implies the vendor is responsible for covering the 3% cost on the IRS portion as well. Since that fee isn’t determined, how can we properly estimate that? It would be better to state that the IRS would cover the bank fees for its portion or allow us to bid with a dollar number plus a % of the IRS fee, or allow us to treat that as an expense separate from the bid. Obviously, we’ll want to minimize that rate since it impacts our revenues as well.

**IRS Response:** The IRS cannot at this point provide estimates of user fees that we will charge. The IRS will not cover bank fees for its portion. The vendor should recover all costs by charging a reasonable registration and renewal fee.

84. **Question: [regarding renewal fee]** Is the payment after year 1 considered a renewal or is initial certification good for 3 years, and then renewals are annually (or every 3 years) after that? If the renewals don’t happen until after year 3, why is the bid requesting a renewal fee in years 1 and 2?

**IRS Response:** The registration fee will cover 3 years. No renewals will be required in years 1 and 2.

85. **Question:** There will considerable activity for applicants between the time of registration and the time of renewal. Such things as capturing test results, completion of continuing education requirements, etc. Is the expectation that the fee charged for registration should be sufficient to cover the costs of those activities?

**IRS Response:** Preparers will be charged separate fees, unrelated to this RFP, to take the examination and CE courses. For the purposes of this RFP, the vendor needs to charge whatever fees it deems appropriate to cover the costs, and associated profit, for capturing test results and enabling self-certification of CE, as outlined in the SOO.

86. **Question:** We have not seen the term "subvendor" before. Please describe the term, and how it differs from subcontractors.

**IRS Response:** The term "subvendor" should be replaced with "subcontractor."

87. **Question:** What activities will be required for marketing? Will the successful bidder be limited to advising and consulting, or will the expectation be that the bidder will produce materials, take part in seminars, etc.?

**IRS Response:** Specific marketing activities have not yet been identified. Refer to Questions 65 and 82.

88. **Question:** The phasing of activities is unclear. Will all preparers have to register by December 31 to prepare returns in 2011?

**IRS Response:** All signing return preparers will have to register prior to signing tax returns during the 2011 filing period. As an example, if a preparer is not signing returns until February, 2011 they could wait until January, 2011 to register.

89. **Question:** Is the expectation that renewal fees will cover the cost of development for the out year development?

**IRS Response:** Vendor fees should cover vendor costs, and associated profit, for the term of the Contract. The IRS must approve the fee structure, but has not identified any specific restrictions on how the structure itself is designed.

90. **Question:** Will the three year renewal cycle be driven off the date that the tax preparer registered for a PTIN? Or will it be tied to a tax year (i.e. – every tax preparer for that year must renew by xx date)?

**IRS Response:** After the initial registration/renewal cycle, renewals will occur every 3 years. However during the initial renewal cycle, renewal timelines may be staggered to facilitate a more evenly distributed workload. The IRS has not yet determined how this “staggering” will occur. During the initial phase-in period, the IRS does not expect the 3-year renewal cycle to be driven off of the date the preparer initially registered.

91. **Question:** Will CPAs, attorneys and EAs be sent certificates upon registration for a PTIN or will only tax preparers who are not included in these groups be sent a certificate? Will certificates be sent every three years upon renewal or will they only be sent out once after a PTIN is requested and the competency exam has been successfully completed?

**IRS Response:** In accordance with the Notice Issuance section of the SOO, once the PTIN is issued, a “Welcome Letter” outlining requirements, due dates, etc. unique to that specific preparers’ situation will be systemically sent to the preparer. Paper certificates will be issued to return preparers upon completion of test and CE requirements. CPAs, attorneys and EAs are not required to test or meet identified CE requirements, therefore, they should not be issued a certificate. Certificates will be issued one time to a preparer, upon initial completion of test and CE requirements.

92. **Question:** Will IRS be managing the access rights for IRS users? If not, how many IRS employees/users need access to the system?

**IRS Response:** The IRS will manage access rights for IRS users.

93. **Question:** How many tax preparers file tax returns using their SSN as an identifier? (i.e. – not using a PTIN today)

**IRS Response:** For Tax Year 2006, the most recent tax year where this information was compiled, 37.4% of tax returns prepared by paid preparers included SSNs, EINs, or a combination of the two as the signing preparers identifier. 8.1% included the use of SSNs only.

94. **Question:** How many databases will the vendor be required to interface with in order to process the compliance checks?

**IRS Response:** The compliance check “interface” will be performed based upon a transaction request the vendor and a response from the IRS.

95. **Question:** Will the IRS or the vendor be conducting the random renewal audits?

**IRS Response:** The IRS will be conducting the audits. The vendor needs to develop a process to randomly select records for the renewal audits, and forward the information to the IRS.

96. **Question:** What is the expected turnaround time for issuing the PTIN online?

**IRS Response:** Ideally preparers will receive their PTIN prior to their ending their online session with the vendor.

97. **Question:** If data being managed is not production data, may we have QC staff in India for example, reviewing the vendor systems?

**IRS Response:** The IRS has not set forth requirements related to the physical location of staff, so long as outlined SOO requirements are met.

98. **Question:** Can you confirm that the tax preparer compliance review is reviewing data to ensure the tax filings are up to date and not to ensure that they were filed correctly?

**IRS Response:** While there may be studies performed around the accuracy of returns prepared by registered preparers, a tax compliance check, as mentioned here, refers to the filing and payment compliance of the preparer's tax obligations

99. **Question:** Could you clarify what is intended by the response to question 3 that Java and Oracle are the "most optimal" choices?

**IRS Response:** Refer to Question 79d.

100. **Question:** Since the vendor/offendor is completely responsible for the development and maintenance of the code and the RFP does not specify a platform requirement, does the vendor's platform and database decision impact the evaluation of the response?

**IRS Response:** All information found in a proposal will have bearing on the evaluation process. If specific requirements are outlined in the RFP, the vendor should address those, as applicable. The IRS will evaluate the offeror's total solution based upon the evaluation factors set forth in the RFP.

101. **Question:** Can the proposal be submitted by electronically (eMail), or does it need to be physically submitted (5 copies and CD)?

**IRS Response:** Responses must be physically submitted to the attention of the Contracting Officer at:

Internal Revenue Service  
Office of Procurement, OS:A:P:B:B:B



6009 Oxon Hill Road, 5th Floor Mail Room  
Oxon Hill, MD 20745

102. **Question:** PG 17 - What is meant by “Email Website”

**IRS Response:** This is the preparer’s web address, if they have one.

103. **Question:** It will be useful if the type and the general format of the reports to IRS can be defined.

**IRS Response:** Formats and types of reports will be determined during design of the system, in order to ensure appropriate data is captured and shared..

104. **Question:** It will be useful if the number of allowed authorization levels and the associated parameters will be defined for IRS access and reporting.

**IRS Response:** This information cannot be ascertained prior to development of the system

105. **Question:** It should be clarified as to what level of involvement and communication the Vendor will be required to conduct with the Preparer in association with

- IRS generated responses
- If they need to be conveyed on paper or electronically
- Does the Vendor need to maintain an audit trail for IRS access?

**IRS Response:** IRS generated responses will generally have IRS telephone numbers as points of contact; preparers should be referred back to the IRS if they inadvertently contact the vendor. An exception to this may occur, when/if the preparer files their PTIN application with the IRS or contacts the IRS, when they should be contacting the vendor. Should this occur, the IRS will refer the preparer to the vendor. The IRS has not established specific requirements outlining how responses should be issued to preparers, however, it is expected that customer service activities be responsive to preparer needs. Refer to SOO – Customer Service.

106. **Question:** Regarding the authentication of the Preparers, will the Vendor have access to verification thorough the Master File and/or the eServices database?

**IRS Response:** Access to internal IRS systems (and any specific system) has yet to be determined, and may be based on a vendor’s overall proposed IT solution..

107. **Question:** Will IRS, at any access level, have “write” permissions?

**IRS Response:** The IRS has not defined authorization levels at this time, however, it is not expected that all levels will have “write” permissions.

108. **Question:** Regarding the uploaded (scanned) documents - In addition to Question 10 asked and answered:
- Will there be any specific format in which the data will be received?
  - Will IRS be able to work with any format in our data base, if there is no defined format?
  - What storage volume will be allowed for each Preparer?
  - Will the retention period for scanned documents be the same 18 months stated for the data?

**IRS Response:** The IRS has not fully developed IT needs around document uploading. At this point, the IRS has not identified a specific retention period, format or process for obtaining uploaded documents, if/when appropriate. Storage volumes should be established by the vendor, based on the types of information that may be uploaded. Refer to Question 52.

109. **Question:** It is stated that “The technical solution used for information exchanged between the Vendor and the IRS will be worked jointly and must be approved by the IRS prior to development”. Will there have to be special communication link established, as opposed to using commonly available means, for instance, using SSL connectivity?

**IRS Response:** The IRS will work this post-award during the design phase.

110. **Question:** Will the data types enumerated in Attachment 1 change or increase? If so, by 25%, 50%, etc.?

**IRS Response:** It is expected that the data types will evolve over time. The IRS does not expect this to be a common occurrence, but cannot otherwise quantify the anticipated change.

111. **Question:** Page 5 states “PTIN shall be maintained by the vendor, with extracts/reports provided to IRS”. Can we have more specific definition regarding content and frequency of these reports and the extracts?

**IRS Response:** The type and frequency of reports has not yet been determined.

112. **Question:** Page 5 states the “Vendor will develop a process for collecting payments that are reversed after PTIN has been issued”.
- What is the purpose of this process where the received payment will need to be reversed? For instance will a negative “compliance check” be a reason. If so what other reasons may be cited?
  - Is this payment intended for the Government or the Vendor?
  - What is the period within which this the payment will be reversed from time of collection

**IRS Response:** The section refers to payments paid to register and/or renew that are received and processed by the vendor. These could be credit card and/or ACH payments that are initially approved resulting in PTIN issuance and then reversed by the credit card company or financial institution at a later time. Refer to Questions 56b.

113. **Question:** What are the conditions and processes involved in the “invalidation” of a PTIN. It is presumed that this is an IRS function that will be reported to the Vendor’s system.

**IRS Response:** There are a number of reasons why the IRS may invalidate a PTIN to include instances where the preparer initially gets a PTIN, and at a later date fails a subsequent compliance check. In some instances, like the compliance check example provided, the IRS will notify the vendor when a PTIN needs to be invalidated. Other instances where a PTIN may be invalidated, such as when the test has not been passed within the specified period of time, will require that the vendor develop a mechanism to automatically invalidate the PTIN after notifying the preparer of the missed deadline. All of the conditions where the PTIN may be invalidated and the associated processes to use in invalidating the PTIN have not as yet been determined. The details will be addressed post-award.

114. **Question:** It is stated that “...preparers must pass “compliance checks” prior to receiving a PTIN ensuring that they have no outstanding obligations on their personal or business federal tax returns. These compliance checks will be conducted via IRS interface with Vendor system in real time...” Does this process require a special, separate communication link other than that will be normally made available to communicate with the IRS?

**IRS Response:** Refer to Questions 94 and 109.

115. **Question:** Page 5 indicates that the renewal will be made every three years.
- Is the Vendor to assume that there will not be any reporting of CE compliance during this period for the purposes of pricing?
  - Will there still be a yearly “Renewal Fee” for each Preparer?
  - Will there still be a yearly “Registration Fee” for each Preparer?
  - Will testing be done once or will it repeat every three years?

**IRS Response:** There will be CE compliance self-reporting that will occur at any given point during the 3-year renewal cycle. The IRS anticipates CE self-reporting to begin in 2011. Fees should only be charged at registration and at renewal, not annually. Preparers will be required to pass the examination one time.

116. **Question:** How frequently is the Vendor obligated to alert the Preparer of his/her need to renew, complete missing items, etc.? Are any such notices mandated to be presented on paper and sent by mail?

**IRS Response:** The IRS has not established minimal requirements associated with either the frequency or format of notification to preparers of future requirements.

117. **Question:** Will all mandated mailing to be done (such as the PTIN delivery)? Has there been any additional information developed pertaining to Question 8 submitted and answered earlier? Will an electronic option through a secure delivery method be considered as an alternative?

**IRS Response:** The first question above is unclear. No additional information is available in response to Question 8. Unless specifically stated in the RFP that a paper notification will be issued, e.g. Certificate, the IRS will consider an electronic delivery option as an alternative to mail, provided initial notification is sent to a verified address of record to meet authentication requirements.

118. **Question:** If PTIN applications are received on paper from the Preparer, is the same 18 month retention requirement apply to the paper documents received? May they be converted to electronic format (eg. scan) for storage and the paper destroyed?

**IRS Response:** Paper PTIN Applications may be converted to an electronic format for storage purposes; the paper document can be destroyed. The IRS has not, as yet, set forth a minimum retention standard for the PTIN Applications.

119. **Question:** We could not access the following links:
- <http://core.publish.no.irs.gov/pubs/pdf/30605h00.pdf>
  - <http://www.irs.gov/irm/part1/ch15s02.html>

**IRS Response:** The first link was addressed in Question #69. The second link contained an outdated reference. The appropriate link is [http://www.irs.gov/irm/part10/irm\\_10-023-002.html](http://www.irs.gov/irm/part10/irm_10-023-002.html). The appropriate reference is Part 10, Chapter 23, Section 2 ("Contractor Investigations").

120. **Question:** Page 16 states: "The Paperwork Reduction Act of 1980 (Pub. L. 96-511) imposes a requirement on Federal agencies to obtain approval from the Office of Management and Budget (OMB) before collecting information from more than 10 members of the public."
- Does this mean that the IRS, as the Federal agency will be the party that needs to obtain this clearance?
  - How does "Taxpayer Participation" mentioned on Page 19 apply to this task directly?

**IRS Response:** This requirement may or may not apply, depending on the offeror's proposed solution. It is not an IRS requirement. However, if the offeror proposes the use of a survey or focus groups from the taxpayer as part of a

solution, the submission of an OMB package would be required. The vendor would be required to prepare the package and submit it to OMB through the IRS.

121. **Question:** 2.0 FAR 52.212-2 -- EVALUATION -- COMMERCIAL ITEMS (JAN 1999) (b): Are there definitions or defining parameters for "...if the option prices are significantly unbalanced"? What constitutes 'balance' in context of this RFP?

**IRS Response:** The IRS does not have a definition or defining parameters for the term "significantly unbalanced." The IRS does have an interest in ensuring that the fees established under this contract do not vary greatly from year to year. By way of example, if an offeror were to charge a registration fee of \$1 in the base year, \$5 in option year 1, \$10 in option year 2, \$15 in option year 3 and \$20 in option year 4, the IRS would view that as significantly unbalanced pricing.

122. **Question:** 3.1 Factor One -- Technical Expertise/Approach: Are there definitions, defining parameters or type listing for "including a variety of report capabilities..." pertaining to this RFP?

**IRS Response:** There are no specific definitions or defining parameters. The proposal should demonstrate the ability to provide a variety of reports.

123. **Question:** [regarding] an IT application built using Microsoft Technologies (ASP.net and Microsoft SQL Server). Is there a requirement or assumption in the RFP that would prevent the use of this platform?

**IRS Response:** No, so long as the system can be certified.

124. **Question:** What is the anticipated contract award date and project kickoff date?

**IRS Response:** The anticipated date of award is no later than May 1, 2010. However, we hope to award the Contract as early as March 1, 2010. The project kickoff date would be immediately thereafter.

125. **Question:** Are all the stakeholder requirements known and documented in the RFP? If not, what additional requirements will need to be elicited and documented?

**IRS Response:** Stakeholder requirements have not yet been defined. Additional requirements are unknown at this point.

126. **Question:** What are the required hours for the Service Delivery Program (e.g., 24x7, 10x5)?

**IRS Response:** Refer to Question 57.

127. **Question:** Will the help desk be required to accept international calls or will a toll-free number based in USA be sufficient?

**IRS Response** Call center access should be available for internationally based paid return preparers.

128. **Question:** Can you confirm or clarify our understanding that the Service Delivery Program must be operational on August 1 (i.e., 30 days prior to the system availability date of September 1)?

**IRS Response:** Refer to Question 30.

129. **Question:** Can you provide an estimate of the call volume for the help desk for each month of the calendar? Will there be specific peak days/months for user calls?

**IRS Response:** The IRS cannot estimate call volume.

130. **Question:** Regarding the reports on preparer data: Is the format for these reports defined and, if so, can you provide the report specifications?

**IRS Response:** Report formatting and delivering specifications have not been developed.

131. **Question:** Regarding the Pricing Table, can you confirm our understanding that the contractor proposed Registration Fee and Renewal Fee DOES NOT include the government user fee?

**IRS Response:** The vendors proposed fees do not include the IRS user fee.

132. **Question:** Regarding the proposal format: Do you require one proposal with both technical and cost information; or separate technical and cost proposals.

**IRS Response:** We would prefer separate technical and cost proposals, but this is not a requirement.

133. **Question:** Regarding the marketing to public task – can you provide an estimated level of effort that the IRS requires to complete this task?

**IRS Response:** Refer to Question 65.

134. **Question:** The RFP states that “The Vendor shall perform these activities in all states, territories, and federal jurisdictions of the United States as well as internationally”. Can you clarify the international requirements?

**IRS Response:** All tasks, e.g. call center access, mailings, etc., outlined in the SOO must be made available to internationally based preparers.

135. **Question:** Regarding the Post-Implementation Evaluation – can you elaborate on the requirements for the “International implementation activities”?

**IRS Response:** The SOO states that “the vendor shall perform these activities in all states, territories, and federal jurisdictions of the United States as well as internationally”. The international paid preparer community should be segmented for the purposes of identifying any issues and recommended improvements that are unique to that segment of the preparer population.

136. **Question:** Does the entire project team need IRS clearance or only those individuals who see and/or access the data?

**IRS Response:** The IRS anticipates that only individuals who see and access the data would need to be cleared.

137. **Question:** Does a DoD Secret clearance meet the personnel security requirements of this RFP?

**IRS Response:** The IRS is often able to offer reciprocity to individuals who hold active security clearances from other agencies. Reciprocity is granted on a case by case basis by the National Background Investigation Center.

138. **Question:** This project will require high initial costs with the concept of recouping the costs over time from the registration and renewal fees. However, the initial contract will be for one base year, which leaves a small amount of time for the contractor to recoup costs (between September 1, 2010 and one year from the date of contract award), if the option years are not executed. Does the IRS envision that the contractor will recoup all the development costs in the base year?

**IRS Response:** It is up to the vendor to determine how best to recoup costs. If the length of the base period is unsuitable, Offerors may make alternative proposals which utilize longer base periods. Pricing should be provided for both the period of performance stated in the RFP, and any period of performance in an alternative proposal. If contract terms are being offered contrary to the RFP, these must be clearly marked as alternative proposals.

139. **Question:** Will the contractor own the license rights to the RPR system?

**IRS Response:** There is not a requirement that this be the case. The IRS must own the data in the system.

140. **Question:** Regarding the 3<sup>rd</sup> party test administrators – can you clarify the number and composition of these?

**IRS Response:** The number and composition of the 3<sup>rd</sup> party test administrator(s) has not, as yet, been determined.

141. **Question:** Will these 3<sup>rd</sup> party test administrators use a consistent format for data exchange with the RPR system?

**IRS Response:** Not necessarily. Interface requirements between test administrator(s) and the vendor will be developed and coordinated by the vendor.

142. **Question:** Regarding the welcome letter, certificate and other form letters. Can these documents be sent via email as an attachment or do they need to be printed and mailed via the US Postal Service?

**IRS Response:** With the exception of the certificate and notification required for authentication, the IRS will consider options that use electronic versus traditional mail delivery. Refer to Questions 11 and 117.

143. **Question:** Will this IRS provide the forms (e.g., welcome letter, certificate) that will be used or does the contractor need to develop the forms?

**IRS Response:** The Vendor needs to develop the forms, subject to IRS approval.

144. **Question:** What are the business rules to distinguish CPAs and others who do not have to comply with the continuing education requirements?

**IRS Response:** The specific business rules will be addressed post-award. Preparers will self-identify themselves on the PTIN application under “Professional Certifications”.

145. **Question:** Can you please explain why the solicitation is limited to those organizations with a NAICS of 611710 which is for “Educational Support Services”? Would you consider expanding the NAICS code to include 518210 “Data Processing, Hosting and Related Services” or 541511 “Custom Computer Programming Services”?

**IRS Response:** This is an unrestricted acquisition.

146. **Question:** What is the estimated number of tax preparers who will register using hard copy (paper)? How should payment be collected for those individuals?

**IRS Response:** Refer to Question 74

147. **Question:** Is there an IRS preferred technology for remote access?



**IRS Response:** The IRS has not identified a preferred technology for purpose.

148. **Question:** What is the estimated number of users who will require remote access?

**IRS Response:** The IRS has not, as yet, estimated its remote access needs.

149. **Question:** Regarding the real time interface for compliance checks, will this interface be provided with Web Services?

**IRS Response:** Refer to Question 94 . Whether/not web services will be used will be determined during the design phase and worked post-award.

150. **Question:** The Standard From 1449, block 10, references a “Size Standard: \$7.0m”. Can you clarify what this means?

**IRS Response:** This is an unrestricted acquisition. This portion should not have been completed in the RFP document.

151. **Question:** Regarding the bidirectional data exchange from the application to/from the IRS.
- a. Can you provide detail on the volume, format and frequency of the data exchanges?
  - b. In what form and method would data be exchanged between CTC and the IRS?
  - c. Would the exchange from the IRS to CTC be live data connections or extracts?
  - d. In general, is the data maintained in databases managed by Oracle, SQL Server, or some other database software?

**IRS Response:** The answers to questions a, b, and c above have not yet been determined. They will be addressed during the design phase. Refer to Question 79b to address d above.

152. **Question:** The RFP requires IRS’ approval of all design and architecture documents before the contractor can start to implement the solution. Also, the detailed requirements are yet to be determined. Since there will only be 4 months after the award for the application to be up and running, will the IRS have a dedicated team with authority to work with the contractor and finalize the decisions immediately?

**IRS Response:** The IRS will have a dedicated team with authority to work with the vendor.

153. **Question:** [Section I: Registration, Page 5]: Based on the ethics statement upon registering, is it acceptable to verify verbally that a Return Preparer is a CPA/attorney/IRS Enrolled Agent and therefore waives the CE requirement?

**IRS Response:** Verbal authorization will not be necessary because the preparer will self-identify themselves on the PTIN application under “Professional Certifications”.

154. **Question:** [Section I: Registration, Page 5]: Are tax preparers with an existing PTIN required to pay the initial registration fee? If yes, how many existing PTINs have already been issued?

**IRS Response:** Yes, preparers with existing PTINs will be required to pay the initial registration fee. As of October 2008 when PTIN totals were last calculated, there were approximately 920,000 unique PTINs in the system. However, this number does not necessarily represent the number of preparers with PTINs as a number of preparers have applied for and received duplicate PTINs.

155. **Question:** [Section I: Online IT Application, Automated Notice Issuance, Page 7]: The requirement states: “Issue a paper certificate to return preparers upon completion of test and CE requirements, as required.” Can the government provide more details of when issuing a paper certificate is required? Please answer yes or no to the following situations:
- Return preparer has passed the exam and completed initial registration.
  - Return preparer who is exempt from the exam and has completed initial registration.
  - Return preparer has completed their annual CE requirements. (meaning a paper certificate would be issued every year)
  - Return preparer has completed CE requirements for three years and has completed the renewal process.
  - Return preparer who is exempt from CE requirements has completed the renewal process.

**IRS Response:** Certificates will only be issued to preparers required to pass the exam. Therefore, certificates will not be issued to attorneys, CPAs or enrolled agents. A certificate will be issued one time only after the preparer passes the exam and registers for their PTIN. Responses to questions above: a) Yes, issue certificate after preparer passes the exam and is registered. b) Certificates will not be issued to preparers exempt from the exam. c) Certificates will be issued one time only, not annually. d) Certificate will not be issued. e) Certificate will not be issued.

156. **Question:** [Section I: Online IT Application, Automated Notice Issuance, Page 7]: The requirement states: “Issue a paper certificate to return preparers upon completion of test and CE requirements, as required.” Does the government anticipate a situation where a preparer requests a reprint of the paper certificate?

If so, can the vendor assume there is a reprint fee? If yes, will the vendor need to provide pricing in the pricing table?

**IRS Response:** It is reasonable to expect a preparer to request a reprint of the certificate. The IRS must approve the fee structure, but has not identified any specific restrictions on how the structure itself is designed

157. **Question:** [Section I: Paper PTIN Applications, Page 7]: What percentage of customers are expected to use the paper processing option versus registering online?

**IRS Response:** Refer to Question 74

158. **Question:** [Section I: Disclosure of Information, Remittance of Government User Fee, Page 16]: The requirement states: “The vendor shall collect this fee from the applicants and remit to the IRS daily through Pay.gov the previous day’s collections of user fees. The user fee payment must reconcile to vendors collection records by date.” Can the vendor assume that reversed payments will be subtracted from the daily remittance to Pay.gov?

**IRS Response:** The IRS will receive its user fee portion of payments received for each PTIN that is issued. The daily pay.gov transmission will include this daily remittance. It is the vendor’s responsibility to collect payments that are reversed after issuance of a PTIN to the preparer, e.g. reversed at a later time. As a result, the IRS does not anticipate any instance where reversed payments will be subtracted from the pay.gov remittance.

159. **Question:** How many new return preparer’s are expected to enter the system each year?

**IRS Response:** The IRS does not have an estimate of new return preparers.

160. **Question:** [Section II: Pricing Table, Page 21]: The Government has requested Renewal Fee pricing for all contract years. Considering that the initial registration is valid for three years, why does the government require renewal pricing for years 1 through 3?

**IRS Response:** This question was answered in the IRS response to Question 42.

161. **Question:** [Section II: Pricing Table, Page 21]: The Government has requested Registration and Renewal pricing by year. Can this table be expanded to include additional rates, such as the charging a different rate for a paper registration versus an electronic registration?

**IRS Response:** Offerors should respond to the pricing table as requested in the RFP. The IRS views the use of different pricing options for paper vs. electronic

as responsive to the table provided. The IRS views the inclusion of different fees, above and beyond the registration and renewal fee as an alternative proposal.

162. **Question:** Should a system of records notice be required for publication in the Federal Register, will this be completed by the IRS, or will the vendor prepare the notice?

**IRS Response:** The System of Records will be completed by the IRS.

163. **Question:** Can we outsource the printing and delivery of the paper certificates (that are of professional quality, "suitable for display")?

**IRS Response:** There is no prohibition on outsourcing printing and delivery.

164. **Question:** For renewal, do we have to somehow validate that CPA's, EA's and Lawyers have an active license (and thus exempt from various requirements)?

**IRS Response:** No.

165. **Question:** Under the Online IT Application section, the RFP states that the "Vendor will develop an English-language, web-based application for use by approximately 900K-1.2M tax return preparers." On the final page of the RFP, under section 4.0 – Submission Requirements, the RFP states that a completed test plan (Attachment 4) must be submitted for each product or service offered in response to this RFP.

Since the RFP is to build an application on award of the contract, may we assume that the intent is to have the vendor provide a complete test plan that will be executed upon contract award? Will the IRS accept a test plan (not executed) with the assertion that the application will pass that test plan?

**IRS Response:** It is not an IRS requirement that the vendor build a brand new application. Offerors may propose the use of an existing, commercially available system, or the development of a new system. For offerors that propose to develop a new system, the test plan should include the process by which the vendor will ensure that the system meets 508 requirements upon development.